



## City of Biggs

### **Agenda Item Staff Report for the Regular City Council Meeting: March 21, 2011 6:00PM**

DATE: March 15, 2011

TO: Honorable Mayor and Members of the City Council

FROM: Pete Carr, City Administrator

SUBJECT: Financial Audit Report Fiscal year 2010 (Discussion/Action)

Council will review and consider accepting the annual financial audit as provided by Smith & Newell Certified Public Accountants.

#### **Background**

The fiscal year 2010 city financial audit report was made available to Council members March 4<sup>th</sup>, and requires formal acceptance before public publication and filing with state agencies. This is the third year of Smith & Newell's three-year contract with Biggs.

#### **Highlights:**

1. Auditor notes that the Biggs financial statements "...present fairly, in all material respects, the respective financial position of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City... and the respective changes in financial position, and cash flows..."
2. Management (Pete with consultation from Roy) responded to both of the two Management Reporting recommendations for strengthening internal controls, both of which are general ledger presentation comments, neither of which is listed as a "significant deficiency or material weakness."
3. Management (Pete with consultation from Roy) responded to each of the four Financial Statement recommendations, each listed as material or significant. Noted were depreciation of infrastructure assets, administration of grant fund balances, a budget for the now-closed HOME grant fund, and segregation of duties in utility billing. The utility billing comment is repeated every year due to Biggs' limited staffing capacity.
4. Total net assets of the city grew from \$10.0 mil to \$10.5 mil.
5. Total cash (before receivables) was \$2.3 mil.
6. General fund balance grew from \$225k to \$292k.
7. Electric funds balance grew from \$493k to \$770k.
8. Sewer funds balance decreased from \$132k to \$62k.
9. Water funds balance decreased from \$275k to 235k.

10. Solid water fund balance decreased from \$17k to \$15k.
11. Non-major funds balances combined grew from \$183k to \$240k.

**Recommendation:**

Accept report of the independent financial auditor as presented for the fiscal year 2009-2010.

**Fiscal Impact of Recommendation:**

None.